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November 25, 2011

POSTAL REGULATORY
COMMISSION
OFFICE OF THE SECRETARY

Hon. Shoshana M. Grove, Secretary
Postal Regulatory Commission
901 New York Avenue NW, Suite 200
Washington, D.C. 20268-0001

Dear Ms. Grove:

In connection with the Commission's rules pertaining to periodic reports, I have enclosed copies of the reports of Revenue, Pieces and Weight (RPW) by rate category and special service for Quarters 1-3 (revised), and Quarter 4 of Fiscal Year (FY) 2011, and a summary annual RPW report for FY 2011. Each of these reports consists of two parts:

1. Mailing Services (Market Dominant Products), Revenue, Pieces and Weight by Classes of Mail and Special Services for [Quarters 1, 2, 3, 4, annual Summary], Fiscal Year 2011, Compared with the Corresponding Period of Fiscal Year 2010, **Public Report**; and
2. Shipping Services (Competitive Products), Revenue, Pieces and Weight by Classes of Mail and Special Services for [Quarters 1, 2, 3, 4, annual Summary], Fiscal Year 2011, Compared with the Corresponding Period of Fiscal Year 2010, **Public Report**.

Quarters 1, 2, and 3 of FY 2011 have been revised. Revisions include methodology changes regarding the processing of all Point-of-Service (POS) data, in lieu of statistical sampling estimates (Docket No. RM2009-10), and the allocation of stamp and meter Postage in the Hands of the Public, or PIHOP (Docket No. RM2011-11). These are among the changes described below. The corresponding FY2010 period was also revised in the reports for each quarter and the fiscal year to properly reflect year-over-year changes.

POS: Under Proposal Fifteen in Docket No. RM2009-10, the Postal Service asked the Commission to allow the use of all POS data to replace statistical sampling estimates of these pieces paid by the application of a Postal Validation Imprint (PVI) label at a retail counter using a POS terminal. The

Commission approved this request in Order No. 339. Mail entered at a retail POS unit includes many mail products in the Market Dominant and Competitive categories. Using these data, the RPW reports for Quarters 1, 2, and 3 were revised, including their SPLY references from FY 2010. The Quarter 4 and FY2011 reports use this newly-approved methodology.

PIHOP: Under Proposal Three of Docket No. RM 2011-11, the Postal Service asked that stamp PIHOP be allocated to mail products using the ODIS-RPW stamp indicia distribution key, and that the meter PIHOP likewise be allocated using the meter indicia key. Order No. 816 approved this proposal. Using this methodology, the RPW reports for Quarters 1, 2, and 3 of FY 2011 were revised, including their SPLY references from FY 2010. The Quarter 4 and FY2011 reports use this newly-approved methodology.

Express Mail and Express Mail International Insurance: The revised Quarters 1, 2, and 3 (as well as the Quarter 4 and FY2011) reports now include these insurance fees in the "Insurance" line for Express Mail insurance, and in the "Outbound International Insurance Services" line for Express Mail International Insurance. Previously, these small amounts were not assigned specifically to the insurance services.

Miscellaneous: Several minor corrections are also included. For example, Critical Mail had been incorrectly reported in Quarter 2 of FY2011. Other Corrections/updates are made to products/services where errors occurred in the preliminary RPW reports.

I have enclosed disks with machine-readable versions of these reports, consisting of one Excel file for each report containing both parts of these public reports. These electronic files may be posted on the internet.

As with prior reports in the recent past, I have included with the public versions of the RPW reports for Quarters 1-3 (revised), Quarter4, and the summary annual report for FY 2011, restricted versions that disaggregate the international and domestic data pertaining to competitive products (**Restricted Report**). These restricted versions follow the adopted format used in the public reports, and provide the Commission with additional, disaggregated data for the confidential categories. The restricted reports are being provided on computer disk and in hard copy, and should not be made public. They have been marked as restricted and confidential.

The Postal Service believes that the material contained in the Restricted Reports that is not included in the public versions consists of information that would not be subject to mandatory disclosure pursuant to the Freedom of Information Act and Title 39, United States Code. This letter incorporates by reference Attachment 2 of my letter dated September 29, 2009: "Application of the United States Postal Service for Non-Public Treatment of Materials"

Pursuant to 39 C.F.R. § 3007.21, this document describes the information in the restricted versions that has been aggregated in the public versions, and presents the statutory basis for the Postal Service's request for confidentiality, as well as a description of the harm that would result from disclosure

If you have any questions regarding the changes described above or the reports for Quarters 1-3 (revised), Quarter 4, or the summary report for FY 2011, do not hesitate to call.

Sincerely,

A handwritten signature in cursive script, reading "Daniel J. Foucheaux, Jr.", written in dark ink.

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and
Product Support

Enclosures

cc: Ms. Taylor